



Memorandum

TO: COYOTE VALLEY SPECIFIC
PLAN TASK FORCE

FROM:

**SUBJECT: SUMMARY OF TECHNICAL
ADVISORY COMMITTEE
MEETING HELD ON 1/18/05**

DATE: January 28, 2005

Approved

Date

Technical Advisory Committee Members Present:

Michele Beasley (Greenbelt Alliance), Shanna Boigon (SCC Association of Realtors), Craig Breon (SCV Audubon Society), Beverly Bryant (Home Builders Association of Northern California), Tedd Faraone (Coyote Valley Alliance for Smart Growth), Bobbie Fischler (League of Women Voters), Mark Frederick (SCC Parks & Recreation), Jane Mark (SCC Parks & Recreation), Mike Griffis (SCC Roads & Airports), Mary Hughes (SV Habitat for Humanity), Carolyn McKennan (MHUSD), Dunia Noel (LAFCO), Elizabeth Petrinovich (Office of Senator Abel Maldonado), Bill Shoe (SCC Planning), Mike Tasosa (VTA), and Kerry Williams (Coyote Housing Group).

City and Other Public Agency Staff Present:

Darryl Boyd (PBCE), Susan Walsh (PBCE), Mike Mena (PBCE), and Sylvia Do (PBCE).

Consultants and Members of the Public:

Roger Shanks (Dahlin Group), Paul Barber (KenKay Associates), James Edison (Economic & Planning Systems), Jim Thompson (HMH Engineers), and Eileen Goodwin (Apex Strategies).

1. Update: 1/6/05 Community Meeting and 1/10/05 Task Force Meeting

The Technical Advisory Committee (TAC) meeting convened at 3:00 p.m. with introductions around the room. Susan Walsh, Senior Planner with the Planning, Building and Code

Enforcement (PBCE) Department, went over the agenda and the materials included in the meeting's packet. The purpose of the meeting was to review the material presented at the January 6, 2005 community meeting and January 10, 2005 Task Force meeting. Susan indicated that there was not a lot of new material presented at the January 6, 2005 community meeting and noted that PowerPoint presentation is on the website and the summary notes will be e-mailed out to TAC members next week.

Susan noted that the Task Force reviewed the Coyote Valley Specific Plan (CVSP) infrastructure cost estimates, the financing principles and feasibility and the Second CVSP Progress Report at the January 10, 2005 Task Force meeting. She stated that Jim Musbach, with Economic Planning Systems (EPS) concluded that the Plan Concept is financially feasible. She indicated that some of the homebuilders on the Task Force were asked whether developers would realistically choose to invest in Coyote Valley at \$850,000 per residential acre, and Dan Hancock, Steve Schott, Jr. and Steve Speno indicated that the figure is realistic. The Task Force voted unanimously to recommend to the City Council that the CVSP process continue to move forward based on the Plan Concept, recognizing that the Plan can still be adjusted in response to refined cost or other information.

Darryl Boyd, Principal Planner with the PBCE Department, indicated that Environmental Impact Report scoping meetings could begin in March 2005, depending on whether the City Council approves the CVSP Land Use Concept on January 25, 2005.

Susan noted that Task Force meetings are now scheduled through March 2006 and the new 2005-2006 Schedule is included in the TAC materials. Eileen Goodwin, with Apex Strategies, asked how many TAC members attended the January 10, 2005 Task Force meeting. A raise of hands indicated that nine members attended the meeting, whereas four did not.

2. Infrastructure Costs

Jim Thompson, with HMM Engineers, presented the CVSP infrastructure costs. He described the existing conditions of hydrology and flood control, and explained the objective of floodplain management. Jim indicated that the California Regional Water Quality Control Board has strengthened their C-3 requirements for improving water quality and water quantity for storm water controls in new and redevelopment projects. He explained how the CVSP addresses the floodplain and C-3 issues. Jim indicated that the probable construction cost is \$911,328,000. \$152,434,000 in potential funding from outside sources would reduce CVSP construction cost to \$758,894,000. He explained that since this is still a conceptual plan, preliminary estimates might change.

Eileen asked for TAC comments and the following were provided:

- Some agency representatives asked to see the background details on which the cost estimates are based. *Susan indicated that meetings could be set-up to go through the details with each interested agency.*
- Recommend creating a Composite Core Infrastructure Analysis summary update. *Jim indicated that he would be able to provide an update of the Executive Summary.*
- What are transit system costs based on? *Jim indicated that the transit system would be about 5.5 miles long and costs \$11 million per mile to construct. VTA criteria would be used for the transit stops. Costs include 22 transit stops, excluding the cost of rolling stock and electrification and communication facilities. Cost estimates are for proposed rubber tired transit, not a light rail system. Transit is proposed to be provided at no cost to passengers.*
- Indication that it costs an average of \$34.8 million per mile to construct a light rail system and \$13.5 million per mile to construct a bus rapid transit (BRT) system.
- Who will operate the transit? *Susan indicated that this issue has not been decided yet, and there is no assumption that the VTA would operate and maintain the transit system.*
- Indication that the City does not necessarily have to operate and maintain the transit system. It is possible that a community district could privately finance the transit system.
- What is the long-term cost of transit operation and maintenance? *Jim explained that operation and maintenance costs would be looked at after project designs are finalized.*
- Recommend comparing long-term operation and maintenance costs with tax revenues. *James Edison, of Economic and Planning Systems (EPS), indicated that this would be covered in the fiscal impact analysis.*
- Are in-tract infrastructure costs excluded from these estimates? *Jim answered in the affirmative.*
- Is there a land acquisition plan for the reconfiguration of northbound Monterey Highway? *Jim stated that acquisition costs are not included at this time.*
- Is contingency set aside for land acquisition? *Jim responded in the affirmative and explained that there is a 10% contingency included for off-site mitigation costs.*
- Could groundwater be recharged if the lake has lining? *Jim responded in the affirmative.*

3. Financing Principles and Financial Feasibility

James Edison, (EPS) discussed the financing principles and financial feasibility. He explained how landowners would be compensated for their “fair share” of land dedication. James discussed infrastructure financing issues, preliminary cost allocation, feasibility test, preliminary feasibility measures and next steps. The estimated total infrastructure cost is \$1,668,251,000 and the estimated project-funded infrastructure cost is \$1,496,000,000.

TAC comments included:

- Recommend not developing until jobs are available. *James explained that the CVSP would allow the City to be prepared with a long-range plan, which could be implemented when there is an economic upturn.*

- Support for the preparation of a plan to provide for a variety of opportunities for industrial users when the economy picks up.
- Indication that it is important to look at how North San Jose, Downtown and Coyote Valley interrelate. *Darryl Boyd indicated that this would be examined in the Environmental Impact Report, and that it is important to preserve as many diverse jobs opportunities as possible throughout the City.*
- Will the triggers be changed? *Susan explained that the City Council could change the triggers, however there has been no discussion of changing them*
- What are the alternatives for public financing? *James Edison stated that alternatives are private financing or having someone write a check. He said that there would be more analysis about this later.*
- What do assessment districts do? *James explained an assessment district in San Jose would be governed by the City Council. Under an assessment district property owners voluntarily choose to place a tax burden on their land to fund bond payments for development and benefit from improvements. The assessment district collectively takes out a loan on the land as a way to overcome timing issues. Those who choose not to participate, and therefore do not wish to develop, do not have any entitlements.*
- Explain the infrastructure costs in Table 2. *James indicated that the \$475,000,000 line item for parks and schools includes \$250,000,000 for schools and \$225,000,000 for parks. Public facilities include the cost of fire station, a community police facility and library facilities.*
- Indication that it is good to see that there is a line item for land acquisition to preserve the Greenbelt.
- What is the estimated infrastructure cost for parks and schools based on? *Eileen indicated that assumptions are detailed in the Power Point in the packet. Paul explained that the Plan is a working model. Jim stated that the figure is a rough estimate and that there would be a more detailed analysis later.*
- Would it be Morgan Hill Unified School District's (MHUSD) responsibility to finance for the purchase of land? *James explained that financial arrangements of the school site acquisition are typically a subject of negotiation between the developer(s) and the school district, and are based on a number of factors that have not yet been determined for the Coyote Valley Specific Plan. He indicated that the analysis completed to date is very general and there is significant additional work to do before the interested parties will have the information they need to come to an agreement on this.*
- Based on experience, development fees do not cover school construction costs; costs are typically State funded.
- Indication that housing values per acre are currently atypical. Why are infrastructure costs based on atypical figures? *James indicated that numbers are never typical because they are always averages. Estimated infrastructure costs determine whether the Plan is feasible on an overall basis.*
- Are there any burdens on affordable housing? *James indicated that there is a higher burden on market rate housing. Susan said that the housing strategy for the 20% affordable housing would begin over the next few months.*

- Do infrastructure costs include the widening of Bailey-Over-the-Hill? *Jim indicated that it is included in the cost estimates.*
- Does Bailey-Over-the-Hill stop at McKean Road? *Jim responded in the affirmative and stated that Bailey Avenue would not connect to Almaden Expressway.*

4. Open Forum:

Susan asked for general comments from the TAC members and the following were provided:

- Recommend providing more land data to the TAC. *Susan reiterated that the meetings would be held with the agencies to provide the background data on which the cost estimates were based. Jim indicated that more details would be provided as the project becomes more detailed.*
- What is the City Council reviewing on January 25, 2005? *Susan explained that the City Council would consider acceptance of the 2nd CVSP Progress Report. If they accept the report, the next steps in the planning process would continue and the EIR would be initiated.*
- Have there been any further ideas of what the Greenbelt will look like? *Susan said that there would be more refinement of the Greenbelt Strategy over the next few months.*

5. Adjourn:

Susan encouraged the TAC members to attend the City Council meeting on January 25, 2005 and the next Task Force meeting on February 7, 2005. The next TAC meeting would be on February 15, 2005 in City Hall room 106E from 3 to 5 p.m.

The meeting was adjourned at 5:00 p.m.